

ADM-13.7

DD/S&T-917/69

8 JAN 1969

MEMORANDUM FOR: Chief, Procurement Division,
Office of Logistics

SUBJECT : Contractor Reports on Contracts
of Directorate of Science and
Technology

1. This will confirm conversations with your office and representatives of this Directorate concerning reporting requirements in S&T cost reimbursable contracts. The reports referred to are the monthly reports of percentage of completion of work and percentage of expenditure of funds.

2. This Directorate is very much interested, as I know you are, in a contractor reporting system which will insure that we have the best available information concerning the contractor's progress and expenditure of funds consistent with the type and value of each contract. We have given considerable thought to the matter of reporting on contracts under \$50,000 and have concluded that a mandatory reporting system for such contracts is not required. Monthly reports on these contracts should result only when the technical officer or contracting officer feel they are needed. Monthly reports, however, should be required on all cost type contracts exceeding \$50,000. I believe this is consistent with your feeling in this matter.

3. We do believe that the determination of whether reports are or are not required in any given instance should be the result of deliberate consideration in every case by technical officer and contracting officer and we therefore ask that you take the following action with regard to S&T cost type contracts:

a. Delete the qualifying statement now in the printed contract form under Reports, subparagraph b, which limits monthly reports to CPFF contracts over \$50,000.

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b. On all S&T cost type contracts exceeding \$50,000 require monthly reports on contractor's percentage of completion and expenditure of funds. The reports should be specified as deliverable items in the schedule of the contract. There may be some very unusual instances when such reports would not be appropriate and I would expect the contracting officer and technical officer to exercise their best judgment in this matter.

c. On S&T cost type contracts under \$50,000 require such monthly reports only in those instances when in the judgment of technical officer or contracting officer such reports should be required because of past experience with the contractor or other reasons. This would probably mean that a majority of such contracts under \$50,000 would not require such reports.

4. We believe that the recommendations set forth in a, b, and c above will clarify the interests of this Directorate in the monthly reports. There is a related matter which concerns the requirement for an initial plan to be submitted in the contractor's proposal. We believe every contractor should include in its proposal a plan for projected percentage of completion of performance by month and a related plan for the projection of expenditures by month. These plans should be required in proposals regardless of contract price since such plans assist the technical officer and contracting officer in evaluating the proposal. We will take the necessary steps within this Directorate to insure that S&T proposals do include these plans.

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Executive Officer
Directorate
of
Science and Technology

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Approved For Release 2002/08/01 : CIA-RDP72R00410R000100010020-5

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